Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.
Form N-CSR
January 09, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-022011

Morgan Stanley Emerging Markets Domestic Debt
(Exact name of registrant as specified in charter)

522 Fifth Avenue, New York, New York — 10036
(Address of principal executive offices) — (Zip code)

John Gernon

522 Fifth Avenue, New York, New York 10036
(Name and address of agent for service)

Registrant s telephone number, including area code: 212-296-0289

Date of fiscal year end: October 31, 2013

Date of reporting period: October 31, 2013

Item 1 - Report to Shareholders

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.

Directors

Frank L. Bowman

Michael Bozic

Kathleen A. Dennis

James F. Higgins

Dr. Manuel H. Johnson

Joseph J. Kearns

Michael F. Klein

Michael E. Nugent

W. Allen Reed

Fergus Reid

Officers

Michael E. Nugent

Chairperson of the Board

John H. Gernon

President and Principal
Executive Officer

Mary Ann Picciotto

Chief Compliance Officer

Stefanie V. Chang Yu

Vice President

Francis J. Smith

Treasurer and Principal
Financial Officer

Mary E. Mullin

Secretary

Adviser and Administrator

Morgan Stanley Investment Management Inc.

522 Fifth Avenue

New York, New York 10036

Custodian

State Street Bank and Trust Company

One Lincoln Street

Boston, Massachusetts 02111

Stockholder Servicing Agent

Computershare Trust Company, N.A.

211 Quality Circle, Suite 210
College Station, Texas 77845

Legal Counsel

Dechert LLP

1095 Avenue of the Americas

New York, New York 10036

Counsel to the Independent Directors

Kramer Levin Naftalis & Frankel LLP

1177 Avenue of the Americas

New York, New York 10036

Independent Registered Public Accounting Firm

Ernst & Young LLP

200 Clarendon Street

Boston, Massachusetts 02116

For additional Fund information, including the Fund's net asset value per share and information regarding the investments comprising the Fund's portfolio, please call toll free 1 (800) 231-2608 or visit our website at www.morganstanley.com/im. All investments involve risks, including the possible loss of principal.

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INVESTMENT MANAGEMENT

Morgan Stanley
Investment Management Inc.
Adviser

Morgan Stanley

Emerging Markets Domestic Debt Fund, Inc.
NYSE: EDD

Annual Report

October 31, 2013

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.

October 31, 2013

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Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.

October 31, 2013

Letter to Stockholders (unaudited)

Performance

For the year ended October 31, 2013, the Morgan Stanley Emerging Markets Domestic Debt Fund, Inc. (the "Fund") had total returns of -1.08%, based on net asset value, and -7.21% based on market value per share (including reinvestment of distributions), compared to its benchmark, the J.P. Morgan Government Bond Index Emerging Markets Global Diversified Index (the "Index")*, which returned -1.60%. On October 31, 2013, the closing price of the Fund's shares on the New York Stock Exchange was $14.35, representing a 12.8% discount to the Fund's net asset value per share. Past performance is no guarantee of future results.

Factors Affecting Performance

• Despite drawn-out U.S. fiscal cliff negotiations and anti-austerity labor protests sweeping across Europe, global risk assets including emerging markets debt strengthened in the final two months of 2012, as manufacturing activity in China expanded, U.S. presidential election uncertainty abated, and the likelihood of a Greek euro exit fell, prompting investors to take a more optimistic tone toward global growth.

• In a tepid start to 2013, global risk assets weakened in the first quarter of 2013, as fears about Europe's ability to contain its crisis, lower global growth prospects (mainly from Europe), and U.S. debt ceiling and sequestration talks negatively impacted risk assets. However, emerging markets debt strengthened in late spring, with the Bank of Japan's announcement for additional liquidity providing stimulus offset concerns about growth in China, cantankerous exchanges between North Korea and a U.S./South Korea alliance threatening the regional balance, and increased fears about homegrown terrorism following a terror attack at the Boston Marathon.

• During the summer, emerging markets came under significant pressure as external debt spreads widened, domestic debt yields rose and emerging markets currencies weakened versus the U.S. dollar and the euro. During the second quarter, the 10-year U.S. Treasury yield rose by 64 basis points to 2.49%, largely because of positive economic data releases, the Federal Reserve's (Fed) optimistic growth outlook, and signs of an improving labor market. This led to a widespread perception among investors that the Fed would begin "tapering" its quantitative easing (QE) program sooner than previously expected. The generalized weakness in emerging markets accrued mainly from a shift in positioning rather than in fundamentals, as near-record outflows (which stabilized toward the end of June) from the asset class weighed on prices and investor sentiment. For the last few years, investors had been increasing their exposure to emerging markets debt due to the relative higher growth rates of emerging market versus developed market economies, the strong balance sheets in emerging markets, and the additional yield available versus traditional "safe haven" assets. These attributes may have also attracted investors who are tactical in nature and wanted to participate in the "carry trade," a strategy seeking to take advantage of the yield differences between a country with low interest rates and one with higher interest rates. For investors of this nature, a change in the pace of Fed accommodation seemed to be sufficient reason to reduce their exposure to emerging markets.

• Emerging markets assets in the third quarter exhibited erratic behavior, rattled by uncertainty over the direction of monetary policy in the U.S. and political wrangling leading to a U.S. government shutdown at the end of the quarter. Overall, the third quarter was largely a wash in terms of Index performance, with emerging markets debt spreads almost flat, domestic debt yields

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.

October 31, 2013

Letter to Stockholders (unaudited) (cont'd)

rallying slightly, and emerging markets currencies marginally weakening vis-à-vis the U.S. dollar. During the quarter, the 10-year U.S. Treasury yield rose by 12 basis points to 2.61%, after fluctuating wildly in response to mixed growth data and unclear Fed communication regarding monetary policy. In that regard, markets which had been pricing in a September start date for QE tapering were surprised by Fed Chairman Bernanke's dovish remarks in July, then by stronger-than-expected U.S. activity and labor data in August, and finally by the Fed's decision in September to keep QE in place. Emerging markets assets were not immune to this heightened volatility and their performance closely followed the progression of the 10-year U.S. Treasury yield. Market sentiment toward emerging markets marginally improved during the quarter, buoyed by positive policy response in countries singled out as vulnerable in a tighter global liquidity environment, an improved growth outlook in economies linked to core Europe, and expectations for better relative performance after the second quarter's severe underperformance. This improved tone toward the asset class was enough to help stabilize returns, but it did little to curb flows out of the asset class. Nonetheless, our research reveals that most of the outflows sustained by the asset class so far this year corresponded to retail investors, while institutional investor flows turned out to be more resilient and with upside potential given that their emerging markets allocations remain below model portfolio weights.

• Emerging markets assets continued to recover in October, buoyed by a temporary resolution of the U.S. government shutdown/debt ceiling showdown and by expectations that QE tapering will be postponed from year end to around March 2014. Meanwhile, positive news from China provided further support to emerging markets assets: the government reported a solid third quarter gross domestic product (GDP) growth rate of 7.8% year-over-year, on the back of Premier Li's stimulus measures aimed at meeting the 7.5% growth target for this year.

• The Fund benefited from overweight allocations to Mexico, Poland, and Hungary, and shorter-than-benchmark duration in Brazil and Indonesia. In addition, an off-Index exposure to Venezuelan external debt aided relative returns, as did a Japanese yen short position managed with a foreign currency forward contract, which was utilized to offset broad U.S. dollar strength during the summer months.

• Conversely, shorter-than-benchmark duration in Russia and overweights in Turkey and Colombia detracted from relative performance.

Management Strategies

• For the time being, we believe central banks in the developed world are likely to maintain high levels of monetary accommodation, in an effort to support a still-fragile global economy. In particular, and following lackluster U.S. job market data in October, the Fed is now expected to postpone the withdrawal of monetary stimulus until March 2014, with the exact timing also highly dependent on the outcome of upcoming negotiations over the debt ceiling. Similarly, we expect the European Central Bank and Bank of England to continue their accommodative monetary stance, as to not disrupt the incipient recovery in activity and amid a subdued inflation backdrop.

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.

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Letter to Stockholders (unaudited) (cont'd)

• Such a supportive global backdrop could offer vulnerable emerging market countries a window of opportunity to enact needed structural reform. However, the opportunity will likely diminish as growth in the developed world becomes entrenched and results in less-accommodative policies. Such a scenario, though, is not at odds with more stable emerging market flows and positive emerging market returns, as macroeconomic fundamentals in the emerging markets remain strong and may improve vis-à-vis those of the developed world. We also note that the performance of emerging markets asset prices in the longer term will depend on initial conditions and policy responses. As such, we continue to see opportunities to add selectively into the asset class, particularly in those countries where risk premiums have widened and currencies have weakened despite improving fundamentals.

Sincerely,

John H. Gernon
President and Principal Executive Officer November 2013

*J.P. Morgan Government Bond Index Emerging Markets Global Diversified Index tracks local currency government bonds issued by emerging markets. It is not possible to invest directly in an Index.

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.

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Investment Advisory Agreement Approval (unaudited)

Nature, Extent and Quality of Services

The Board reviewed and considered the nature and extent of the investment advisory services provided by the Adviser (as defined herein) under the advisory agreement, including portfolio management, investment research and equity and fixed income securities trading. The Board also reviewed and considered the nature and extent of the non-advisory, administrative services provided by the Fund's Adviser under the administration agreement, including accounting, clerical, bookkeeping, compliance, business management and planning, and the provision of supplies, office space and utilities at the Adviser's expense. (The advisory and administration agreements together are referred to as the "Management Agreement.") The Board also compared the nature of the services provided by the Adviser with similar services provided by non-affiliated advisers as reported to the Board by Lipper, Inc. ("Lipper").

The Board reviewed and considered the qualifications of the portfolio managers, the senior administrative managers and other key personnel of the Adviser who provide the advisory and administrative services to the Fund. The Board determined that the Adviser's portfolio managers and key personnel are well qualified by education and/or training and experience to perform the services in an efficient and professional manner. The Board concluded that the nature and extent of the advisory and administrative services provided were necessary and appropriate for the conduct of the business and investment activities of the Fund and supported its decision to approve the Management Agreement.

Performance, Fees and Expenses of the Fund

The Board reviewed the performance, fees and expenses of the Fund compared to its peers, as determined by Lipper, and to appropriate benchmarks where applicable. The Board discussed with the Adviser the performance goals and the actual results achieved in managing the Fund. When considering a fund's performance, the Board and the Adviser place emphasis on trends and longer-term returns (focusing on one-year, three-year and five-year performance as of December 31, 2012, or since inception, as applicable). When a fund underperforms its benchmark and/or its peer group average, the Board and the Adviser discuss the causes of such underperformance and, where necessary, they discuss specific changes to investment strategy or investment personnel. The Board noted that the Fund's performance was better than its peer group average for the one- and five-year periods but below its peer group average for the three-year period. The Board discussed with the Adviser the level of the advisory and administration fees (together, the "management fee") for this Fund relative to comparable funds and/or other accounts advised by the Adviser and/or compared to its peers as determined by Lipper. In addition to the management fee, the Board also reviewed the Fund's total expense ratio. When a fund's management fee and/or its total expense ratio are higher than its peers, the Board and the Adviser discuss the reasons for this and, where appropriate, they discuss possible waivers and/or caps. The Board noted that the Fund's management fee and total expense ratio were higher than its peer group average. After discussion, the Board concluded that the Fund's (i) performance was competitive with its peer group average; and (ii) management fee and total expense ratio were acceptable.

Economies of Scale

The Board considered the size and growth prospects of the Fund and how that relates to the Fund's total expense ratio and particularly the Fund's management fee rate, which does not include breakpoints. In conjunction with its review of the Adviser's profitability, the Board discussed with the Adviser how a change in assets can affect the efficiency or effectiveness of managing the Fund and whether

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.

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Investment Advisory Agreement Approval (unaudited) (cont'd)

the management fee level is appropriate relative to current and projected asset levels and/or whether the management fee structure reflects economies of scale as asset levels change. The Board considered that, with respect to closed-end funds, the assets are not likely to grow with new sales or grow significantly as a result of capital appreciation. The Board concluded that economies of scale for the Fund were not a factor that needed to be considered at the present time.

Profitability of the Adviser and Affiliates

The Board considered information concerning the costs incurred and profits realized by the Adviser and its affiliates during the last year from their relationship with the Fund and during the last two years from their relationship with the Morgan Stanley Fund Complex and reviewed with the Adviser the cost allocation methodology used to determine the profitability of the Adviser and affiliates. The Board has determined that its review of the analysis of the Adviser's expenses and profitability supports its decision to approve the Management Agreement.

Other Benefits of the Relationship

The Board considered other benefits to the Adviser and its affiliates derived from their relationship with the Fund and other funds advised by the Adviser. These benefits may include, among other things, "float" benefits derived from handling of checks for purchases and sales, research received by the Adviser generated from commission dollars spent on funds' portfolio trading and fees for distribution and/or shareholder servicing. The Board reviewed with the Adviser each of these arrangements and the reasonableness of the Adviser's costs relative to the services performed. The Board has determined that its review of the other benefits received by the Adviser or its affiliates supports its decision to approve the Management Agreement.

Resources of the Adviser and Historical Relationship Between the Fund and the Adviser

The Board considered whether the Adviser is financially sound and has the resources necessary to perform its obligations under the Management Agreement. The Board also reviewed and considered the historical relationship between the Fund and the Adviser, including the organizational structure of the Adviser, the policies and procedures formulated and adopted by the Adviser for managing the Fund's operations and the Board's confidence in the competence and integrity of the senior managers and key personnel of the Adviser. The Board concluded that the Adviser has the financial resources necessary to fulfill its obligations under the Management Agreement and that it is beneficial for the Fund to continue its relationship with the Adviser.

Other Factors and Current Trends

The Board considered the controls and procedures adopted and implemented by the Adviser and monitored by the Fund's Chief Compliance Officer and concluded that the conduct of business by the Adviser indicates a good faith effort on its part to adhere to high ethical standards in the conduct of the Fund's business.

General Conclusion

After considering and weighing all of the above factors, the Board concluded that it would be in the best interest of the Fund and its shareholders to approve renewal of the Management Agreement for another year. In reaching this conclusion the Board did not give particular weight to any single factor referenced above. The Board considered these factors over the course of numerous meetings,

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.

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Investment Advisory Agreement Approval (unaudited) (cont'd)

some of which were in executive session with only the independent Board members and their counsel present. It is possible that individual Board members may have weighed these factors differently in reaching their individual decisions to approve the Management Agreement.

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.

October 31, 2013

Portfolio of Investments

(Showing Percentage of Total Value of Investments)

		Face Amount (000)	Value (000)
FIXED INCOME SECURITIES (99.1%)			
Brazil (16.8%)			
Sovereign (16.8%)			
Brazil Notas do Tesouro Nacional, Series F, 10.00%, 1/1/14 - 1/1/23	BRL	574,616	$ 254,987
Chile (0.6%)			
Sovereign (0.6%)			
Chile Government International Bond, 5.50%, 8/5/20	CLP	4,665,000	9,357
Colombia (3.7%)			
Sovereign (3.7%)			
Colombia Government International Bond, 7.75%, 4/14/21	COP	29,000,000	17,642
9.85%, 6/28/27		46,000,000	32,682
12.00%, 10/22/15		11,000,000	6,630
			56,954
Hungary (8.0%)			
Sovereign (8.0%)			
Hungary Government Bond, 6.75%, 2/24/17	HUF	8,500,000	41,980
7.50%, 11/12/20		15,180,000	79,608
			121,588
Indonesia (5.8%)			
Sovereign (5.8%)			
Barclays Bank PLC, Indonesia Government Bonds, Credit Linked Notes, 10.00%, 7/17/17 (a)(b)	IDR	360,000,000	34,982
Credit Suisse, Indonesia Government Bonds, Credit Linked Notes, 10.00%, 7/17/17		154,683,530	15,031
Deutsche Bank AG, Republic of Indonesia Government Bond, Credit Linked Notes,		60,000,000	6,409

		Face Amount (000)	Value (000)
11.00%, 12/15/20 (a)(b)			
JPMorgan Chase Bank, London, Indonesia Government Bonds, Credit Linked Notes, 8.25%, 7/17/21	IDR	135,000,000	$ 12,531
10.00%, 7/19/17 (b)		192,525,000	18,709
			87,662
Malaysia (3.2%)			
Sovereign (3.2%)			
Malaysia Government Bond, 3.84%, 8/12/15	MYR	110,000	35,365
5.09%, 4/30/14		42,152	13,503
			48,868
Mexico (10.9%)			
Sovereign (10.9%)			
Mexican Bonos, 7.50%, 6/3/27	MXN	72,585	6,089
8.00%, 6/11/20		1,094,027	96,022
Petroleos Mexicanos (Units), 7.65%, 11/24/21 (a)(c)		791,300	64,413
			166,524
Peru (1.9%)			
Sovereign (1.9%)			
Peru Government Bond, 7.84%, 8/12/20	PEN	37,745	15,870
Peruvian Government International Bond (Units), 7.84%, 8/12/20 (c)		30,000	12,613
			28,483
Philippines (1.1%)			
Sovereign (1.1%)			
Philippine Government International Bond, 4.95%, 1/15/21	PHP	648,000	16,646
Poland (10.0%)			
Sovereign (10.0%)			
Poland Government Bond, 3.75%, 4/25/18	PLN	18,547	6,107
5.25%, 10/25/20		314,000	110,453
5.50%, 10/25/19		98,947	35,215
			151,775

The accompanying notes are an integral part of the financial statements.

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.

October 31, 2013

Portfolio of Investments (cont'd)

(Showing Percentage of Total Value of Investments)

	Face Amount (000)		Value (000)
Russia (12.4%)			
Corporate Bond (0.8%)			
VimpelCom Holdings BV, 9.00%, 2/13/18 (a)	RUB	378,100	$ 11,966
Sovereign (11.6%)			
Russian Federal Bond OFZ, 7.05%, 1/19/28		875,000	26,315
8.15%, 2/3/27		3,150,000	104,408
Russian Foreign Bond Eurobond, 7.85%, 3/10/18		290,000	9,427
7.85%, 3/10/18 (a)		1,095,000	35,594
			175,744
			187,710
South Africa (11.3%)			
Sovereign (11.3%)			
Eskom Holdings SOC Ltd., 5.75%, 1/26/21	$	47,400	48,229
South Africa Government Bond, 6.75%, 3/31/21	ZAR	774,700	74,707
7.25%, 1/15/20		481,524	48,199
			171,135
Turkey (13.4%)			
Corporate Bond (3.3%)			
Turkiye Garanti Bankasi AS, 7.38%, 3/7/18 (a)	TRY	111,480	50,930
Sovereign (10.1%)			
Turkey Government Bond, 10.50%, 1/15/20		278,825	153,782
			204,712
TOTAL FIXED INCOME SECURITIES (Cost $1,639,693)			1,506,401
	Shares		
SHORT-TERM INVESTMENT (0.9%)			
Investment Company (0.9%)			
Morgan Stanley Institutional Liquidity Funds Money Market Portfolio In="top" COLSPAN="5"			

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solid #000000;
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#000000; padding-right:2pt">

Citizenship or Place of Organization

Delaware

Number of shares beneficially owned by each reporting person with:	7.	Sole Voting Power 0
	8.	Shared Voting Power 330,678,605(1)
	9.	Sole Dispositive Power 0
	10.	Shared Dispositive Power 330,678,605(1)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

    330,678,605(1)

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

    81.3%(1)

14. Type of Reporting Person (See Instructions)

    PN

(1)

Includes (i) 30,678,605 shares of Class A Common Stock and (ii) 300,000,000 shares of Class B Common Stock convertible into an equal number of shares of Class A Common Stock at any time. See Item 5. Assumes the conversion of the Class B Common Stock referred to above into shares of Class A Common Stock.

CUSIP NO. 928563402

1. Names of Reporting Persons.

   SLTA IV (GP), L.L.C.
2. Check the Appropriate Box if a Member of a Group (See Instructions)

   (a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

   OO
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

   Delaware

Number of shares beneficially owned by each reporting person with:	
	7. Sole Voting Power 0
	8. Shared Voting Power 330,678,605(1)
	9. Sole Dispositive Power 0
	10. Shared Dispositive Power 330,678,605(1)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

330,678,605(1)

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

81.3%(1)

14. Type of Reporting Person (See Instructions)

OO

(1) Includes (i) 30,678,605 shares of Class A Common Stock and (ii) 300,000,000 shares of Class B Common Stock convertible into an equal number of shares of Class A Common Stock at any time. See Item 5. Assumes the conversion of the Class B Common Stock referred to above into shares of Class A Common Stock.

CUSIP NO. 928563402

1. Names of Reporting Persons.

   Silver Lake Group, L.L.C.
2. Check the Appropriate Box if a Member of a Group (See Instructions)

   (a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

   OO
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

   Delaware

Number of shares beneficially owned by each reporting person with:	7.	Sole Voting Power 0
	8.	Shared Voting Power 330,678,605(1)
	9.	Sole Dispositive Power 0
	10.	Shared Dispositive Power 330,678,605(1)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

330,678,605(1)

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

81.3%(1)

14. Type of Reporting Person (See Instructions)

OO

(1) Includes (i) 30,678,605 shares of Class A Common Stock and (ii) 300,000,000 shares of Class B Common Stock convertible into an equal number of shares of Class A Common Stock at any time. See Item 5. Assumes the conversion of the Class B Common Stock referred to above into shares of Class A Common Stock.

Explanatory Note

This Amendment No. 12 (Amendment No. 12) amends the statement on Schedule 13D originally filed by the Reporting Persons on September 19, 2016, as amended by Amendment No. 1 to the Schedule 13D filed on November 7, 2016, Amendment No. 2 to the Schedule 13D filed on December 16, 2016, Amendment No. 3 to the Schedule 13D filed on December 22, 2016, Amendment No. 4 to the Schedule 13D filed on February 15, 2017, Amendment No. 5 to the Schedule 13D filed on March 30, 2017, Amendment No. 6 to the Schedule 13D filed on April 5, 2017, Amendment No. 7 to the Schedule 13D filed on May 10, 2017, Amendment No. 8 to the Schedule 13D filed on August 24, 2017, Amendment No. 9 to the Schedule 13D filed on September 14, 2017, Amendment No. 10 to the Schedule 13D filed on November 3, 2017, Amendment No. 11 to the Schedule 13D filed on February 2, 2018 (as so amended, the Schedule 13D). The Items below amend the information disclosed under the corresponding Items of the Schedule 13D as described below. Except as specifically provided herein, this Amendment No. 12 does not modify any of the information previously reported in the Schedule 13D. Capitalized terms used but not defined herein shall have the meanings attributed to them in the Schedule 13D.

The Class A Common Stock of the Issuer reported as beneficially owned in the Schedule 13D is directly held by EMC Corporation (EMC) or its wholly-owned subsidiaries EMC Equity Assets LLC (EMC Sub) and VMW Holdco LLC (VMW Holdco). EMC is a wholly-owned subsidiary of Dell Inc., which is indirectly wholly-owned by Dell Technologies Inc. (Dell Technologies). Dell Technologies is owned by investors including certain of the Reporting Persons, Michael S. Dell, a separate property trust for the benefit of Mr. Dell s wife and funds affiliated with MSD Partners, L.P. This Amendment No. 12 is being filed to report the events described in Item 4 of this Amendment No. 12 below. There have been no changes in the number of shares of the outstanding Class A Common Stock of the Issuer which may be deemed to be beneficially owned by the Reporting Persons and all changes in percentages owned are caused by fluctuations in the number of shares of Class A Common Stock of the Issuer outstanding.

Item 2. Identity and Background.

The information set forth in amended and restated Annex A hereto is incorporated by reference in this amended Item 2.

Item 4. Purpose of the Transaction.

Item 4 is hereby amended and supplemented by adding the following paragraphs at the end thereof:

On July 2, 2018, Dell Technologies announced that it had completed its evaluation of potential strategic business opportunities and has determined not to pursue a business combination with the Issuer. As a result of such evaluation, Dell Technologies has determined to pursue a recapitalization transaction pursuant to an Agreement and Plan of Merger (the Merger Agreement) entered into by Dell Technologies and Teton Merger Sub Inc. (Merger Sub), a wholly owned subsidiary of Dell Technologies. Pursuant to the terms and subject to the conditions of the Merger Agreement, each outstanding share of Dell Class V Common Stock would be converted (the Exchange) into the right to receive, at the holder s option, 1.3665 shares of Dell Class C Common Stock or $109.00 of cash (up to an aggregate cash consideration amount of $9.0 billion). Upon consummation of the Exchange, all shares of Dell Class V Common Stock would be delisted from the New York Stock Exchange. The Exchange is conditioned upon, among other things, the approval of the holders of a majority of the outstanding shares of Dell Class V Common Stock not held by affiliates of Dell Technologies and the payment by the Issuer of a special cash dividend pro rata to all holders of the Issuer s Common Stock in an aggregate amount equal to $11.0 billion. Additional information about the Merger Agreement, the Exchange and the conditions to its consummation may be found in a Current Report on Form 8-K filed by Dell Technologies on July 2, 2018.

During the course of its evaluation of potential strategic business opportunities, Dell Technologies notified the Issuer that certain of the potential opportunities being evaluated by Dell Technologies would involve an extra-ordinary cash dividend by the Issuer. Following such notification, Dell Technologies and the Issuer engaged in discussions regarding the possibility of such an extra-ordinary cash dividend. On July 1, 2018, following the recommendation of an independent special committee of directors, the Board of Directors of the Issuer approved a special dividend pro rata to all holders of the Issuer s Common Stock in an aggregate amount equal to $11.0 billion. Payment of the special dividend is conditioned upon approval of the Merger Agreement by the holders of Dell Class V Common Stock and the satisfaction of certain other conditions.

In connection with the execution of the Merger Agreement and in furtherance of the transactions contemplated thereby, Dell Technologies entered into a letter agreement with the Issuer on July 1, 2018 (the VMware Letter). Subject to the terms and conditions set forth therein, Dell Technologies agreed (i) to announce that it has concluded its review of potential business opportunities and decided not to pursue a business combination with the Issuer, (ii) to use its reasonable best efforts to consummate the Merger on the same date that Dell Technologies receives the special cash dividend from the Issuer and (iii) not to terminate the Merger Agreement by mutual consent with Merger Sub without the Issuer s consent. Additionally, the VMware Letter requires that any future request from Dell Technologies or its affiliates that the Issuer issue a special dividend and any acquisition of the Issuer s Common Stock by Dell Technologies or its affiliates that would cause the Issuer to cease to be a publicly traded company will be subject to approval by a special committee of the Issuer s board of directors comprised solely of independent and disinterested directors. The VMware Letter will terminate on the earlier of (x) July 1, 2028 and (y) the date that no shares of Class A Common Stock, or any other class or series of securities into which such shares may convert or otherwise become, remain outstanding (other than shares beneficially owned, directly or indirectly, by Dell Technologies and its affiliates).

The foregoing description of the VMware Letter does not purport to be complete and is qualified in its entirety by reference to the full text of such agreement, which is filed herewith as Exhibit F and is incorporated by reference herein.

Other than as described in this Schedule 13D, the Reporting Persons have no current plans or proposals that relate to or would result in any of the actions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer.

The information contained in rows 7, 8, 9, 10, 11, 12 and 13 on each of the cover pages of this Amendment No. 12 and the information set forth or incorporated in Items 2 and 6 of this Schedule 13D is incorporated by reference in its entirety into this Item 5.

Items 5 (a) and (b) are hereby amended and restated as follows:

(a) (b) The Reporting Persons may be deemed to beneficially own an aggregate of 330,678,605 shares of the Issuer s Class A Common Stock, which includes (i) 30,678,605 shares of the Issuer s Class A Common Stock held by EMC, VMW Holdco or EMC Sub and (ii) 300,000,000 shares of the Issuer s Class B Common Stock held by EMC or VMW Holdco, which are convertible into shares of Class A Common Stock on a one-for-one basis at any time at the election of EMC or VMW Holdco, as applicable, representing approximately 81.3% of the issued and outstanding shares of the Issuer s Class A Common Stock calculated on the basis of Rule 13d-3 of the Exchange Act. The percentages of beneficial ownership in this Schedule 13D are based on 406,861,758 shares of common stock of the Issuer outstanding as of June 1, 2018, and include 106,861,758 shares of Class A Common Stock and

300,000,000 shares of Class B Common Stock, as reflected in the Issuer s Quarterly Report on Form 10-Q which was filed with the Securities and Exchange Commission on June 11, 2018. As further described in Item 6 of the Schedule 13D, the Reporting Persons may be deemed to share voting and dispositive power over all shares reported herein with EMC, VMW Holdco (to the extent of its direct holdings), EMC Sub (to the extent of its direct holdings), Dell Technologies and certain of its other subsidiaries, and Mr. Dell. Dell Technologies, EMC, VMW Holdco and Mr. Dell separately file Schedule 13D filings reporting their respective beneficial ownership of such securities.

Information with respect to the beneficial ownership of the Class A Common Stock of the Issuer by the individuals listed in Annex A of the Schedule 13D is set forth in Annex A of this Amendment No. 12 and is incorporated herein by reference in response to this Item 5.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.
Item 6 is hereby amended and supplemented by adding the following paragraph at the end thereof:

The information set forth in Item 4 of this Amendment No. 12 with respect to the VMware Letter is incorporated by reference into this Item 6.

Item 7. Material to be filed as Exhibits.
Item 7 is hereby amended and supplemented by adding the following at the end thereof:

Exhibit F Letter Agreement, dated July 1, 2018, between Dell Technologies Inc. and VMware, Inc., incorporated by reference to Exhibit 10.2 to Dell Technologies Inc. Current Report on Form 8-K, filed with the Securities and Exchange Commission on July 2, 2018 (Commission File No. 001-37867)

Signatures

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: July 2, 2018

Silver Lake Partners III, L.P.

By: Silver Lake Technology Associates III, L.P., its general partner

By: SLTA III (GP), L.L.C., its general partner

By: Silver Lake Group, L.L.C., its managing member

By: /s/ Egon Durban

Name: Egon Durban

Title: Managing Director

Silver Lake Technology Investors III, L.P.

By: Silver Lake Technology Associates III, L.P., its general partner

By: SLTA III (GP), L.L.C., its general partner

By: Silver Lake Group, L.L.C., its managing member

By: /s/ Egon Durban

Name: Egon Durban

Title: Managing Director

SLP Denali Co-Invest, L.P.

By: SLP Denali Co-Invest GP, L.L.C., its general partner

By: Silver Lake Technology Associates III, L.P., its managing member

By: SLTA III (GP), L.L.C., its general partner

By: Silver Lake Group, L.L.C., its managing member

By: /s/ Egon Durban

Name: Egon Durban

Title: Managing Director

SLP Denali Co-Invest GP, L.L.C.
By: Silver Lake Technology Associates III, L.P., its managing member
By: SLTA III (GP), L.L.C., its general partner
By: Silver Lake Group, L.L.C., its managing member

By: /s/ Egon Durban
Name: Egon Durban
Title: Managing Director

Silver Lake Technology Associates III, L.P.
By: SLTA III (GP), L.L.C., its general partner
By: Silver Lake Group, L.L.C., its managing member

By: /s/ Egon Durban
Name: Egon Durban
Title: Managing Director

SLTA III (GP), L.L.C.
By: Silver Lake Group, L.L.C., its managing member

By: /s/ Egon Durban
Name: Egon Durban
Title: Managing Director

Silver Lake Partners IV, L.P.
By: Silver Lake Technology Associates IV, L.P., its general partner
By: SLTA IV (GP), L.L.C., its general partner
By: Silver Lake Group, L.L.C., its managing member

By: /s/ Egon Durban
Name: Egon Durban
Title: Managing Director

Silver Lake Technology Investors IV, L.P.
By: Silver Lake Technology Associates IV, L.P., its general partner
By: SLTA IV (GP), L.L.C., its general partner
By: Silver Lake Group, L.L.C., its managing member

By: /s/ Egon Durban
Name: Egon Durban
Title: Managing Director

Silver Lake Technology Associates IV, L.P.
By: SLTA IV (GP), L.L.C., its general partner
By: Silver Lake Group, L.L.C., its managing member

By: /s/ Egon Durban
Name: Egon Durban
Title: Managing Director

SLTA IV (GP), L.L.C.
By: Silver Lake Group, L.L.C., its managing member

By: /s/ Egon Durban
Name: Egon Durban
Title: Managing Director

Silver Lake Group, L.L.C.
By: /s/ Egon Durban
Name: Egon Durban
Title: Managing Director

Annex A

Annex A is hereby amended and restated as follows:

The following sets forth the name and principal occupation of each of the managing members of Silver Lake Group, L.L.C. Each of such persons is a citizen of the United States.

Name	Business Address	Principal Occupation
Michael Bingle	c/o Silver Lake 9 West 57th Street, 32nd Floor New York, New York 10019	Managing Director and Managing Member of Silver Lake Group, L.L.C.
Egon Durban	c/o Silver Lake 2775 Sand Hill Road, Suite 100 Menlo Park, California 94025	Managing Director and Managing Member of Silver Lake Group, L.L.C.
Kenneth Hao	c/o Silver Lake 2775 Sand Hill Road, Suite 100 Menlo Park, California 94025	Managing Director and Managing Member of Silver Lake Group, L.L.C.
Gregory Mondre	c/o Silver Lake 9 West 57th Street, 32nd Floor New York, New York 10019	Managing Director and Managing Member of Silver Lake Group, L.L.C.

None of the persons listed above beneficially owns any shares of Class A Common Stock, except that 27 shares of the Issuer s Class A Common Stock are held by the Hao Family Foundation.